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An Act To Allow the Town of Kittery To Implement a Program To Abate Taxes for Senior Citizens in Exchange for Public Service

Be it enacted by the People of the State of Maine as follows:

Sec. 1. Kittery tax abatement program for senior citizens authorized. The Town of Kittery, referred to in this Act as “the town,” is authorized to implement a program in accordance with this section to allow residents 60 years of age and older to volunteer to provide services to the town. In exchange for such services, the town shall reduce the real property tax obligations of those residents.

1. Relationship of abatement to other property tax benefit programs; limitation. Any abatement provided pursuant to this section is in addition to any other property tax exemption or benefit program, including, but not limited to, the Maine resident homestead property tax exemption pursuant to the Maine Revised Statutes, Title 36, chapter 105, subchapter 4-B and the Maine Residents Property Tax Program, except that the amount of the abatement may not be greater than \$750 annually or reduce the resident’s property tax obligation to less than zero.

2. Rate of abatement. The hourly rate of abatement may not be greater than the minimum wage established in the Maine Revised Statutes, Title 26, section 664.

3. Records. The town shall maintain a record of the number of hours volunteered by each participating resident and provide a copy of this record to the town assessor and the participating resident.

4. Treatment of service and abatement. Notwithstanding any law to the contrary, service provided pursuant to this Act and the resulting abatement must be treated as described in this subsection.

A. Service may not be considered employment for purposes of workers' compensation pursuant to the Maine Revised Statutes, Title 24-A, chapter 25.

B. While the resident is actually providing service, the resident must be considered a public employee of the town and remains eligible for unemployment compensation pursuant to Title 26, chapter 13.

C. The amount of the abatement is not subject to withholding taxes and may not be considered income or wages subject to tax under Title 36, Part 8.

SUMMARY

This bill authorizes the Town of Kittery to establish a program to allow residents 60 years of age or older to provide volunteer service to the town in exchange for an abatement in real property taxes. The hourly rate of abatement is the same as the state minimum wage, which is currently \$7 per hour, with a maximum annual benefit of \$750 available. The abatement is in addition to other property tax benefit programs available to residents.

Service is not considered employment for purposes of workers' compensation or income taxes, but a volunteer is considered a public employee of the town while actually performing services for the town and remains eligible for unemployment compensation.